

MEETING MINUTES
WATER QUALITY ASSURANCE REVOLVING FUND ADVISORY BOARD
Arizona Department of Environmental Quality, 1110 West Washington, Phoenix, AZ
September 30, 2005

Board Members in attendance:

Dr. Bridget Bero	Steve Besich
Jennifer Boucek	Frank Corkhill
Karen Gaylord	Hsin -I Lin
Rick Lavis	Glinda Oakes
Karen O'Regan	Donald Richey
Lee Stein	Jim Vieregg
Nicholas Wallwork	

Board Members Absent:

Karen Masbruch	Richard Bark
Kelly Barr	Tamara Huddleston
Manuel Rodriguez	

The meeting was called to order at 9:03 a.m. by Chairman Rick Lavis.

I. Welcome/Opening Comments/Administrative Issues-

- A. New Member Introduction** – Chairman Lavis welcomed Ms. Jennifer Boucek to the Board as the Governor's representative. Ms. Boucek replaces Lori Faeth.
- B. Meeting Schedule** – Chairman Lavis presented the meeting schedule for the rest of the year: The next meeting is on October 28. There will be no meeting in November, and there will be a meeting on December 16, 2005.
- C. Other** - None

II. Approval of June 24, 2005 minutes – Ms. Karen O'Regan made a motion to adopt the draft June 24, 2005 minutes. Mr. Lee Stein seconded the motion. All were in favor to approve the minutes as drafted.

III. Special Report -

A. PRP Program

- 1. Status of implementation of PRP recommendations of WQARF Advisory Board Ad Hoc Committee of 1/28/00 and 4/03** – Chairman Lavis summarized the background on the PRP issue and stated that "New WQARF" was based on recovering sixty-six percent of the costs from responsible parties. As such, he stated that it is paramount to understand how the PRP searches are going and what can be expected to be recovered. Mr. Donald Richey presented the "ADEQ Response to the January 2000 and April 2003 WQARF Advisory Board Report and Recommendations of the Ad Hoc Subcommittee on PRP

Investigations.” A handout of the presentation was included in the packet.

Discussion ensued over incentives for working parties (Issue # 8 on the recommendations) and it was requested that this issue be addressed at the next Funding Priorities Subcommittee meeting. There was also discussion over the amount budgeted for PRP searches and the amount actually spent on PRP searches. Mr. Richey stated it was due to the decrease in budget for the site work which hinders the PRP searches getting done.

2. **Proposed 2006 PRP Program; Goals, Objectives & Budget** -Mr. Richey presented a handout entitled “WQARF PRP Search Fiscal Year 2006.” The presentation covered the status of PRP searches as well as goals for FY 2006. There was lengthy discussion over the results of the PRP searches. It appears that cost recovery is not expected at numerous sites, or is at least well below the predicted recovery rates when New WQARF was established. It was pointed out that the costs will now largely being shifted to the public sector. However, it was discussed that there are some success stories with RP lead sites and incentives for RPs should be determined. Finally, many expressed the desire to modify how the success of WQARF is explained to focus more on cleanups and less on PRP searches.

- B. **Community Advisory Board Program** – This was tabled until the next meeting. Dr. Bero requested that the CAB information not be mailed again since it was already in these meetings packets. As a result, the Board members were asked to bring the two reports to the next meeting.

There was a 10 min break

IV. **Departmental Reports**

- A. **ADEQ**- Mr. Richey went over actions items from the previous meeting and the recent staff hires. Mr. Richey then presented an overview of the ADEQ report and summarized activities and updates on various WQARF sites.
- B. **ADWR** – Mr. Frank Corkhill presented an overview of the ADWR report. In response to questions about the budget, Mr. Corkhill was requested to clarify their budget at the next meeting.
 1. **Well Spacing Rule** - Mr. Scott Miller of ADWR provided an overview of the draft rule and indicated that the new rule looks at more effects on existing wells and contamination in the area. Mr. Miller stated that the next meeting on the rule will occur on October 12, 2005 at ADWR. Ms. Karen Gaylord voiced concerns about the denial of

permits for well drilling by contamination that is caused by others. She indicated that this is contrary to the WQARF reform statutes and is wholly inconsistent with the remedy selection rules. Discussion was held on the approval/denial for drilling for wells and impacts to WQARF. Mr. Corkhill indicated that they have been discussing the issue with ADEQ and further discussions are planned. Chairman Lavis requested that ADWR meet with the Board prior to the October 12, 2005 meeting.

VI. Committee Reports –

A. Budget & Finance Committee –

1. **Review of the 2004-2005 Final Budget Report** - Mr. Nicholas Wallwork reviewed the expenditure statement with the Board. Chairman Lavis commented that the core expenditures for FY 2005 exceeded the site expenditures and stated that it was important for the core expenditures to be less than site expenditures. It was pointed out that the FY 2006 budget had significantly more money in site expenditures.
2. **2006-2007 Budget** - Chairman Lavis indicated that an additional \$900,000 was carried forward into FY 2006 from the adopted FY 2006 budget and requested that ADEQ describe the changes to the adopted FY 2006 budget.
3. **2007-2008 Appropriation: Status Report** –Chairman Lavis stated that he met with the ADEQ Director and \$18 million will likely be pursued for the 2007-2008 WQARF budget.

B. Legislative Committee –

1. Dry Cleaner Legislation

- a. **Status of Negotiations** –Chairman Lavis indicated that the committee will continue to pursue dry cleaner legislation. He also stated that a letter that was sent by Western States Drycleaners and Launderers Association to the Governor's Office was sent without the knowledge of group negotiating on behalf of the dry cleaners. Mr. Michael Jordan was present and he stated that he was not aware the letter was sent and would not have endorsed the letter.
- b. **Dry Cleaner Survey** – Mr. Richey indicated that ADEQ awarded the contract to conduct the inventory for the dry cleaners. He stated that the report is due in December, but progress will be provided.

C. Funding Priorities Committee – Karen Gaylord indicated that the next meeting will be held on October 14, 2005 at her office.

VI. Other Business – Ms. Karen O’ Regan requested an update on the potential impacts to WQARF from the ASARCO bankruptcy. Mr. Richey commented on the ADEQ’s role in the ASCARO bankruptcies and stated that ADEQ has been working closely with EPA on the ASARCO Hayden site over the past three years related to risks at the site. He indicated that all of the money that has been spent on the site has come from the federal Consent Decree and ADEQ will continue to work with EPA on their efforts.

VII. Public Comment –

X. Adjournment- Karen O’Regan made a motion to adjourn and Mr. Jim Viereggs seconded the motion. All were in favor of the motion and the meeting adjourned at 11:40 a.m.